

Item: _____
Fiscal Impact: _____
Funding Source: _____
Account #: _____
Budget Opening Required: ☐

ISSUE:

Approval of an Agreement for Disposition of Land for Private Development between the West Valley City Redevelopment Agency, and Hexcel Corporation, a Delaware Corporation (Hexcel).

SYNOPSIS:

Hexcel desires and intends to expand its operations in West Valley City by adding potentially eleven new manufacturing lines and performing other upgrades and maintenance of existing facilities and equipment. The project will bring to the City several hundred million dollars in new capital investment and approximately 880 new good-paying jobs, adding to their existing 450 to bring total employment to an estimated 1,330 and making it one of West Valley City's top five private employers.

Hexcel is within the Southwest EDA Project Area and this Agreement with the Redevelopment Agency will facilitate the development of the property, returning 75% of the tax increment generated from the development to Hexcel, over a 15 year period, up to a maximum aggregate amount of \$18,700,000.

BACKGROUND:

The Southwest Economic Development Project Area was adopted by the City through West Valley City Ordinance No. 08-48, dated October 7, 2008. Hexcel has approximately 105 acres in the EDA, and it is their intention to expand their existing facilities by adding an estimated eleven new manufacturing lines and perform other upgrades and maintenance of existing buildings and equipment over a 10-15 year build out. Each new line is a capital investment of approximately \$30 million and each adds an estimated 80 new jobs.

RECOMMENDATION:

The Economic Division of the Community & Economic Development Department recommends approval.

SUBMITTED BY:

Nevin Limburg, Economic Development Division, Community & Economic Development Department.